

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	POCAHONTAS GAS PARTNERSHIP	)	VIRGINIA GAS
	A Virginia General Partnership	)	AND OIL BOARD
)	
RELIEF SOUGHT:	MODIFICATION OF BOARD'S ORDERS	)	DOCKET NO.
	POOLING INTERESTS IN DRILLING	)	98-0324-0626-02
	UNIT NO. S-36 LOCATED IN THE OAKWOOD)		
	COALBED METHANE GAS FIELD I PURSUANT)		(Modification of
	TO VA. CODE § 45.1-361.22, FOR	)	Board's Orders in
	THE PRODUCTION OF OCCLUDED NATURAL	)	Docket No. VGOB-
	GAS PRODUCED FROM COALBEDS AND	)	98-0324-0626 entered
	ROCK STRATA ASSOCIATED THEREWITH	)	May 11, 1998 and
	FROM FRAC WELL, AND ANY ADDITIONAL	)	filed May 14, 1998
	WELLS THAT MAY BE AUTHORIZED	)	with the Clerk of
	PURSUANT TO VA. CODE § 45.1-361.20	)	the Circuit Court
	(herein collectively referred to as	)	of Buchanan County,
	"Coalbed Methane Gas" or "Gas")	)	VA in Deed Book
		)	476, at Page 133,
LEGAL DESCRIPTION:		)	together with its
		)	Supplemental Order
	DRILLING UNIT NUMBER S-36	)	entered June 26,
	(hereafter "Subject Drilling Unit")	)	1998 and filed
	IN THE OAKWOOD COALBED METHANE GAS FIELD I	)	July 14, 1998,
	GARDEN MAGISTERIAL DISTRICT,	)	at Deed Book 478,
	KEEN MOUNTAIN QUADRANGLE	)	Page 700, (herein
	BUCHANAN COUNTY, VIRGINIA	)	collectively
	(the "Subject Lands" are more	)	"Original Pooling
	particularly described on Exhibit	)	Order") and the
	"A", attached hereto and made a	)	Board's Order in
	part hereof)	)	Docket No. VGOB
		)	98-0324-0626-01
		)	entered September 9,
		)	1999 and filed
		)	September , 1999 in
		)	Deed Book 496 at
		)	Page 512 (herein
		)	Modified Pooling
		)	Order")

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: Applicant's petition for modification of the Original Pooling Order and the Modified Pooling Order came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on November 17, 1999, Southwest Virginia 4-H Center, Hillman Highway, Abingdon, Virginia.

2. Appearances: Mark Swartz of the firm Swartz and Stump, L.C. appeared in behalf of Pocahontas Gas Partnership, the Unit Operator; Danny McClanahan and numerous heirs of Linkous Horn appeared pro se; and Sandra Riggs, Assistant Attorney General, was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. The Board also finds that: (1) the Unit Operator exercised due diligence in conducting a search of the reasonably available sources to determine the identity and whereabouts of gas and oil owners, coal owners, mineral owners and/or potential owners, i.e., persons identified by Applicant as having ("Owner") or claiming ("Claimant") the rights to Coalbed Methane Gas in all coal seams below the Tiller Seam, including the Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, War Creek, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams, coalbeds and rock strata associated therewith (hereafter "Subject Formation") in Subject Drilling Unit underlying and comprised of Subject Lands; (2) the Unit Operator represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code §§ 45.1-361.19 and 45.1-361.22, to notice of the Application filed herein; and (3) the attached Revised Exhibit B-3 lists those persons identified by the Unit Operator through its due diligence who may be Owners or Claimants of Coalbed Methane Gas interests in Subject Formation, in Subject Drilling Unit underlying and comprised of Subject Lands who have not agreed to lease or sell to the Unit Operator and/or voluntarily pool their Gas interests. Conflicting Gas Owners/Claimants in Subject Drilling Unit are listed on Revised Exhibit E. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: Revised Plat; Addendum to Plat; Tract Identifications; Exhibit A, page 2; Exhibit B-3 and Exhibit E.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.1-361.22, including the applicable portions of Va. Code § 45.1-361.21, the Board modify the Original Pooling Order and the Modified Pooling Order; and (2) pool all the rights, interests and estates in and to the Coalbed Methane Gas in Subject Drilling Unit, including the pooling of the interests of the Applicant and of the known and unknown persons named in Revised Exhibit B-3 hereto and that of their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas, produced from or allocated to the Subject Drilling Unit established for the Subject Formation underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit").

7. Relief Granted: The requested relief in this cause be and hereby is granted: (1) Pursuant to Va. Code § 45.1-361.21.C.3, the Original Pooling Order and the Modified Pooling Order, Pocahontas Gas Partnership (hereafter "Unit Operator" or "Operator") was and is designated as the Unit Operator authorized to drill and operate Coalbed Methane Gas well(s) in the Subject Drilling Unit subject to the permit provisions contained in Va. Code § 45.1-361.27 et seq.; to the Oakwood Coalbed Methane Gas Field I Order OGCB 3-90, dated May 18, 1990, as amended by orders issued in Docket Nos. VGOB 93-0216-0325 and VGOB 93-0316-0348 (herein "Oakwood I Field Rules"); to § 4 VAC 25-150 et seq., Gas and Oil Regulations; and to §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and (2) all the interests and estates in and to the Gas in Subject Drilling Unit, including that of the Applicant and of the known and unknown persons listed on Revised Exhibit B-3 hereto and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formation in the Subject Drilling Unit underlying and comprised of the Subject Lands.

For the Subject Drilling Unit
underlying and comprised of the Subject
Land referred to as:

Unit Number S-36
Buchanan County, Virginia

Pursuant to the Oakwood I Field Rules, the Board has adopted the following method for the calculation of production and revenue and allocation of allowable costs for the production of Coalbed Methane Gas.

For Frac Well Gas. - Gas shall be produced from and allocated to only the 80-acre drilling unit in which the well(s) is located according to the undivided interests of each Owner/Claimant within the unit, which undivided interest shall be the ratio (expressed as a percentage) that the amount of mineral acreage within each separate tract that is within the Subject Drilling Unit, when platted on the surface, bears to the total mineral acreage, when platted on the surface, contained within the entire 80-acre drilling unit in the manner set forth in the Oakwood I Field Rules.

8. Election and Election Period: In the event any Owner/Claimant named in Revised Exhibit B-3 hereto does not reach a voluntary agreement to share in the operation of the well(s) to be located in the Subject Drilling Unit, at a rate of payment mutually agreed to by said Owner/Claimant and the Unit Operator, then such person named may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, Applicant has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: If any Owner/Claimant named in Revised Exhibit B-3 hereto does not reach a voluntary agreement with the Unit Operator, he may elect to participate in the Well Development and Operation in the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs of the Well Development and Operation contemplated by this Order for frac well gas and gas from any well that may be authorized pursuant to Va. Code § 45.1-361.20, including a reasonable supervision fee, as more particularly set forth in Virginia Gas and Oil Board Regulation 4 VAC 25-160-100 (herein "Completed-for-Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. Subject to the condition set forth in Paragraph 17.6 of this Order, the estimated Completed-for-Production Costs for the Subject Drilling Unit are:

\$245,015.00

A Participating Operator's proportionate cost hereunder shall be obtained by multiplying the Participating Operators' "Percent of Unit" times the estimated Completed-for-Production Cost set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the estimated Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the Well Development and Operation in Subject Drilling Unit under Paragraph 9.1 above, if any Owner or Claimant named in Revised Exhibit B-3 hereto does not reach a voluntary agreement with the Unit Operator he may elect to accept a cash bonus consideration of \$1.00 per net mineral acre owned by him, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Coalbed Methane Gas produced from any Well Development and Operation covered by this Order multiplied by that person's Division of Interest or proportional share of said production [for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not limited to,

gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said Gas Owner or Claimant. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, subject to a final legal determination of ownership, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing person in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any Well Development and Operation covered hereby and such electing person shall be deemed to and hereby does lease and assign, its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

- 9.3. Option 3 - To Share In The Well Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the Well Development and Operation in Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, if any Owner/Claimant named in Revised Exhibit B-3 hereto does not reach a voluntary agreement with the Unit Operator, he may elect to share in the Well Development and Operation in Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such

Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development and operation.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the rights, interests, and claims of such electing person in any Well Development and Operation covered hereby and such electing person shall be deemed to have and hereby does assign its rights, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event any Owner/Claimant named in Revised Exhibit B-3 hereto does not reach a voluntary agreement with the Unit Operator and fails to elect within the time, in the manner and in accordance with the terms of this Order, one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then he shall be deemed to have elected not to participate in the proposed Well Development and Operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination of ownership, to have elected to accept as satisfaction in full for his right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from the Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event any Owner/Claimant named in Revised Exhibit B-3 hereto elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Completed-for-Production Costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interest, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When

such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event any Owner/Claimant named in Revised Exhibit B-3 hereto is unable to reach a voluntary agreement to share in the Development and Operation of the well(s) contemplated by this Order at a rate of payment agreed to mutually by said person and the Unit Operator, and he elects or fails to elect to do other than participate under Paragraph 9.1 above in the Well Development and Operation of Subject Formations in Subject Drilling Unit, then subject to a final legal determination of ownership, he shall be deemed to have and shall have assigned unto Unit Operator his right, interests, and claims in and to said well(s), and other share in production to which he may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said election.

13. Unit Operator (or Operator): As set forth in the Original Pooling Order, the Modified Pooling Order, and herein, Pocahontas Gas Partnership is designated as Unit Operator authorized to drill and operate the Coalbed Methane Wells in Subject Formation in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code §§ 45.1-361.27 et seq.; §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations; the Oakwood I Field Rules, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Pocahontas Gas Partnership
P. O. Box 947
Bluefield, VA 24605
Phone: (540) 988-1016
Fax: (540) 988-1055
Attn: Leslie K. Arrington

14. Commencement of Operations: Unit Operator has commenced or caused to be commenced operations for the drilling of the well(s) within the Subject Drilling Unit and shall prosecute the same with due diligence. This Order shall terminate, except for any cash sums then payable hereunder, unless sooner terminated by Order of the Board, at 12:00 P.M. on the date on which all well(s) covered by this Order are permanently abandoned and plugged.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are chargeable against his interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

By the Original Pooling Order and the Modified Pooling Order, the Board instructed the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") and the Escrow Agent is hereby directed to establish subaccounts for Tracts 3, 3C, 3C1, and 4 as reflected on the revised Exhibit E attached hereto and to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

First Union National Bank
Corporate Trust PA1328
123 South Broad Street
Philadelphia, PA 19109-1199
Telephone: (215) 985-3485 or (800) 665-9359
Attention: Corporate Trust Don Ballinghoff

16.1. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and, pursuant to Va. Code § 45.1-361.21.D, said sums shall be deposited by the Operator into the Escrow Account, commencing within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are being deposited. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with Va. Code § 45.1-361.21.D.

16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code §§ 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4, be deposited by the Operator into the Escrow Account within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to

deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

17. Special Findings: The Board specifically and specially finds:

- 17.1. The Unit Operator is a Virginia general partnership composed of Consolidation Coal Company, a Delaware corporation, and CONOCO Inc., a Delaware corporation;
- 17.2. Pocahontas Gas Partnership is duly authorized to transact business in the Commonwealth of Virginia, is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 17.3. Applicant claims to own or have leased 12.39640 percent of the oil and gas interest and 57.17175 percent of the interests in the coalbed methane gas underlying the Subject Drilling Unit. The Linkous Horn heirs have also asserted a claim to the coal underlying their oil and gas tract(s). Said adverse claim to the coal represents a 44.5125 percent claim;
- 17.4. Unit Operator has drilled Well CBM-PGP-S36 pursuant to Permit Number 3636 to a depth of 2,075 feet on the surface overlying Subject Drilling Unit to develop the pool of Gas in Subject Formations at the location more particularly shown on Exhibit A hereto.
- 17.5. Subject Drilling Unit is located over longwall panels proposed for the Buchanan No. 1 mine. To the extent any additional well(s) are required to accommodate said mine plans, the cost of any such additional well(s) permitted by the Division of Gas and Oil in accordance with the provisions of Va. Code § 45.1-361.20.C. will not be allocated to the Subject Drilling Unit by the Operator regarding Oakwood I frac gas production. Before the Division of Gas and Oil shall act on any application for an additional well within Subject Drilling Unit pursuant to Va. Code § 45.1-361.20, the Applicant must file with said Division and this Board: (1) a copy of the mine plan for that portion of the Buchanan No. 1 mine which will underlie Subject Drilling Unit; and (2) the projected time by which said mining will commence;
- 17.6. The estimated total production from Subject Drilling Unit is 125 to 500 MMCF. The estimated amount of reserves from the Subject Drilling Unit is 125 to 500 MMCF;
- 17.7. Conflicting Owners/Claimants, are listed on Exhibit E. Set forth in Revised Exhibit B-3 is (1) the name and last known address of each person identified by the Applicant as an Owner or Claimant of Coalbed Methane Gas in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands, who has not, in writing, leased to the Unit Operator or agreed to voluntarily pool their Gas interests in Subject Drilling Unit for its operation and development. The

interests of the Respondents listed in Revised Exhibit B-3 comprise 87.60359 percent of the oil and gas interests and 42.82825 percent of the coal interests in Subject Drilling Unit;

17.8. Pocahontas Gas Partnership's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above;

17.9. The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford Applicant the opportunity to recover or receive, without unnecessary expense, his just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of Coalbed Methane Gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.

18. Mailing Of Order And Filing Of Affidavit: Unit Operator or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt to each Owner/Claimant within Subject Drilling Unit whose address is known, and if any such party was represented by counsel at these proceedings that a correct copy of this Order was so mailed to all such counsel.

19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

21. Appeals: Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code § 9-6.14:1 et seq.

22. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 14th day of January, 2000, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

DONE AND PERFORMED this 31st day of January, 2000, by Order of this Board.



B. R. Wilson
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 1st day of January, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

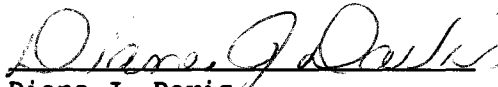


Susan G. Garrett
Notary Public

My commission expires July 31, 2002

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 31st day of January, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.



Diane J. Davis
Notary Public

My commission expires September 30, 2001

BOOK 501

PAGE 208

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS
PROVIDED BY CONSOL Inc. AND WERE NOT SURVEYED.N 332,422.95
E 1,009,723.30N 332,352.57
E 1,011,587.82N 330,552.14
E 1,009,655.32N 330,481.69
E 1,011,519.89

CBM-PGP-S36

80 ACRE UNIT

NOTE: SEE ATTACHED ADDENDUM DATED 10/18/99

LEGEND

← TRACT LAND HOOK

[2] TRACT LAND ID'S

EXHIBIT A

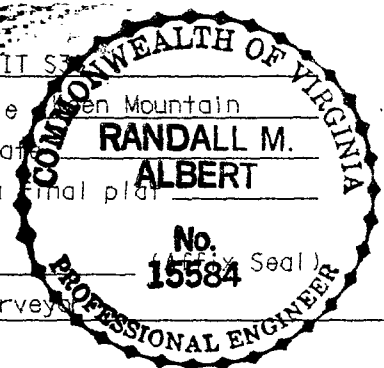
OAKWOOD FIELD UNIT S-36

FORCE POOLING

VGOB-98-0324-0626-02

Company Pocahontas Gas Partnership Well Name and Number UNIT S-36
 Tract No. _____ Elevation _____ Quadrangle Green Mountain
 County Buchanan District Garden Scale: 1" = 400' Date _____
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7
Rev. 9/91

 Licensed Professional Engineer or Licensed Land Surveyor


POCAHONTAS GAS PARTNERSHIP**UNIT S-36****Tract Identifications**

1. Alpha Stickley, et al - Coal, Oil & Gas
 Coal Lessees
 Island Creek Coal Company
 Jewell Smokeless Coal Corporation
 Permac, Inc.
 Pocahontas Gas Partnership - CBM Lessee
 2.25 acres 2.8125%

- 1A. Betty Ferrell - Surface
- 1B. Kenneth Byrd - Surface
- 1C. Crobbie Smith - Surface
- 1D. John Osborne - Surface

2. J. P. Royall, et al - Coal, Oil & Gas
 Consolidation Coal Company - Coal Below Drainage Lessee
 United Coal Company - Coal Above Drainage Lessee
 Permac Inc. - Coal Above Drainage Lessee
 34.57 acres 43.2125%

- 2A. John Horn Jr. - Surface
- 2B. Jessie Matney - Surface
- 2C. Jerry Horn - Surface
- 2D. Goldie Horn - Surface
- 2E. Helen Compton - Surface
- 2F. Melissa Vandyke - Surface
- 2G. Dexter Mounts - Surface
- 2H. Jimmy Lee Horn - Surface
- 2I. Ethel Burke - Surface
- 2J. Roby Horn - Surface

3. Hurt & McGuire - Coal
 Consolidation Coal Co. - Coal below Tiller seam Leased
 Jewell Smokeless Coal - Tiller & above coal Leased
 Pocahontas Gas Partnership - CBM Lessee
 Linkous Horn Heirs - Oil & Gas
 27.44 acres 34.3000%

- 3A. Beulah Osborne - Surface
- 3B. Arlen Osborne - Surface
- 3C. Danny McClanahan - Surface
- 3D. Robert Trent - Surface
- 3E. Clifford Osborne - Surface
- 3F. Crobbie Smith - Surface
- 3G. John Osborne - Surface
- 3H. Betty Ferrell - Surface
- 3I. Bertha Goodwin - Surface
- 3J. Noah Keen - Surface

POCAHONTAS GAS PARTNERSHIP

UNIT S-36

Tract Identifications

- 3C. Hurt & McGuire - Coal
Consolidation Coal Co. - Coal below Tiller seam Leased
Jewell Smokeless Coal - Tiller & above coal Leased
Pocahontas Gas Partnership - CBM Lessee
Linkous Horn Heirs - Oil & Gas
Danny McClanahan - Surface, (Oil & Gas Claimant)
7.61 acres 9.51250%
- 3C1. Hurt & McGuire - Coal
Consolidation Coal Co. - Coal below Tiller seam Leased
Jewell Smokeless Coal - Tiller & above coal Leased
Pocahontas Gas Partnership - CBM Lessee
Linkous Horn Heirs /Thomas Stillwell Heirs - Oil & Gas
Danny McClanahan - Surface, (Oil & Gas Claimant)
0.56 acres 0.70000%
4. Hurt & McGuire - Coal
Consolidation Coal Co. - Coal below Tiller seam Leased
Jewell Smokeless Coal - Tiller & above coal Leased
Pocahontas Gas Partnership - CBM Lessee
Thomas Stillwell Heirs - Oil & Gas
7.57 acres 9.46250%

ADDENDUM TO PLATS DATED 10/18/99
REGARDING UNITS S-36 AND T-36
VGOB NOS. 98-0324-0626-02 AND 98-0324-0625-02

The foregoing plat shows three lines identified as "FIRST MAPS", "SECOND MAPS", and "AFTER SURVEY" and represents three interpretations of the western boundary of the McClanahan tract.

The deed to Mr. McClanahan's property has a very vague description. It contains no metes and bounds calls but relies entirely on points of topography and trees for corner descriptions. The western property line in question is described in a preceding deed as "Beginning and running with the line of Stilwell, to an ash, thence up the hillside to the top of the spur to a sourwood, and with his line to a locust, a corner to Walter Osborne and Esaw Osborne. . ." Mr. McClanahan's deed has no description but refers to this prior deed for a description. The deeds preceding these two deeds do identify the beginning point as being at the forks of the hollow with this line running up the right fork to an ash. The Thomas Stilwell Heirs' deeds to the property which adjoins this property line are of no help. They simply call for running with the lines of others through this area.

To aid us in platting such vague deed descriptions, we sent representatives into the field to talk to adjoining property owners to try to get a consensus on line locations. None of the Thomas Stilwell heirs lived on the property and, for the most part, did not appear very knowledgeable of their boundaries. Mr. McClanahan does live on his property and he assured our representatives that he knew where his boundaries were. In fact, he said he had a map which he relied on in describing his boundaries (he refused to produce this map for us to inspect). He did describe the western line as we depicted it on the FIRST MAPS.

In early 1999, we became involved in a surface rights dispute with a landowner who claimed property adjoining Mr. McClanahan's southeastern boundary. During this dispute, we were shown an unmarked locust tree which was agreed by three adjoining property owners, including Mr. McClanahan, to be the corner at the southernmost point of the west property line in question. There was also an old fence line found leaving the area of the locust tree and running down a spur in a manner that would match the deed description. The SECOND MAPS submitted in 1999 were revised to show this corner and alignment of the property line with the fence line.

Mr. McClanahan continued to deny us access to his property. He told our representatives that if we tried to come on his property he would be dressed in camouflage and hiding in the woods, and he would stop us. Until only several weeks ago, Mr. McClanahan refused to allow our people access to his property to investigate further. With a description that could not be plotted, the apparent lack of knowledge of property lines exhibited by the Stilwell heirs, and Mr. McClanahan's refusal to allow us on his property, we prepared the FIRST MAPS based on Mr. McClanahan's description of the location of the line now at issue. Copies of these plats were sent to Mr. McClanahan and the Stilwell heirs as part of the T-36 well permit application process. Ultimately, the FIRST MAPS were modified by the SECOND MAPS for the reasons noted above.

When Mr. McClanahan received the SECOND MAPS, even though he had agreed to the location of the southern most point of the west line, he became upset that the line had shifted from where he originally told us. This started a series of complaints with the Division of Gas and Oil and the Virginia Gas and Oil Board.

On October 8, 1999, Mr. McClanahan finally agreed to meet with our representatives and a survey party to try to locate fence lines and potential corners to try to verify property line locations. After extensive search of Mr. McClanahan's property and a review of his map which he finally shared with us, we have been unable to find, and Mr. McClanahan has been unable to show us, any marked corners. It is unfortunate that Mr. McClanahan refused to cooperate in 1997. Had he allowed us to do the work we wanted to do then, we could probably have platted this line as depicted by the AFTER SURVEY line, narrowed the area in dispute, and provided for an escrow of royalties from the very beginning. We now understand that Mr. McClanahan's initial advice regarding the location of the line gave him the largest interest/claim to royalty.

Mr. McClanahan now appears to agree with the southern portion of the new line, but he insists the line leaves the spur south of where we show the departure. We were able to locate an unmarked ash tree that could fit the description and would appear to satisfy Mr. McClanahan. However, because of the uncertainty and continuing debate over the western line location, I am unable to certify the location of the western line, and a consequence the foregoing plat has been drafted to show all three lines.

It is our recommendation that Board escrow the funds otherwise allocable to these tracts until this boundary line dispute is resolved by agreement of all adjoining owners or judicial decree.

	Acres in Unit	Percent of Unit
I. COAL FEE OWNERSHIP		
<u>Tract #2, 34.57 acres</u>		
(1) J. P. Royall & G. W. Gillespie, estate, et al c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	34.2626 acres 99.1108% of 34.57 acres	42.82825%
II. OIL & GAS FEE OWNERSHIP		
<u>Tract #2, 34.57 acres</u>		
(1) J. P. Royall & G. W. Gillespie, estate, et al c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	34.2626 acres 99.1108% of 34.57 acres	42.82825%
<u>Tract #3, 27.44 acres</u>		
(1) Linkous Horn Heirs, et al.	27.44 acres	34.30000%
(a) Sydney Smith 1911 McViey Road Salem, VA 24153	0.9147 acres 1/30 of 27.44 acres	1.14333%
(b) Kenneth Roy Osborne 1721 19th Street N.E. Roanoke, VA 24012	0.9147 acres 1/30 of 27.44 acres	1.14333%
(c) Martha Guilliams 1911 McViey Road Salem, VA 24153	0.9147 acres 1/30 of 27.44 acres	1.14333%
(d) Ivory J. Horn P. O. Box 748 Raven, VA 24639	0.9147 acres 1/30 of 27.44 acres	1.14333%
(e) Perry W. Horn 700 Meadowbrooke Dr. Apt. 8 King, NC 27021	0.9147 acres 1/30 of 27.44 acres	1.14333%
(f) Larry M. Horn P. O. Box 131 Rarden, OH 45671	0.9147 acres 1/30 of 27.44 acres	1.14333%
(g) Dorothy Horn Rt. 3, Box 21 Cedar Bluff, VA 24609	2.7440 acres 1/10 of 27.44 acres	3.43000%
(h) Marilyn Taylor P. O. Box 285 Pounding Mill, VA 24637	2.7440 acres 1/10 of 27.44 acres	3.43000%
(i) Thelma H. Osborne P. O. Box 33 Raven, VA 24639	2.7440 acres 1/10 of 27.44 acres	3.43000%
(j) Martha H. Smith P. O. Box 395 Max Meadows, VA 24360	2.7440 acres 1/10 of 27.44 acres	3.43000%

	Acres In Unit	Percent of Unit
(k) Sarah H. Day P. O. Box 208 Peterstown, WV 24963	2.7440 acres 1/10 of 27.44 acres	3.43000%
(l) Joseph H. Horn P. O. Box 775 Raven, VA 24639	2.7440 acres 1/10 of 27.44 acres	3.43000%
(m) Nancy H. Stilwell Rt. 4, Box 722 North Tazewell, VA 24630	2.7440 acres 1/10 of 27.44 acres	3.43000%
(n) Clifford Osborne P. O. Box 643 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.31182%
(o) James R. Osborne P. O. Box 484 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.31182%
(p) Shirley Keene P. O. Box 581 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.31182%
(q) Mary Keen Rt. 1, Box 157 Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.31182%
(r) John Osborne Rt. 1, Box 159 Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.31182%
(s) Ronnie Osborne General Delivery Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.31182%
(t) Brenda Justice P. O. Box 627 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.31182%
(u) Richard Osborne P. O. Box 541 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.31182%
(v) Charles M. Osborne P. O. Box 585 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.31182%
(w) Ruth Keen Address Unknown	0.2495 acres 1/110 of 27.44 acres	0.31182%
(x) Patsy Moore General Delivery Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.31182%
<u>Tract #3C, 7.61 acres</u>		
(1) Linkous Horn Heirs, et al.	7.61 acres	9.51250%
(a) Sydney Smith 1911 McViey Road	0.2537 acres 1/30 of 7.61 acres	0.31708%

	Acres in Unit	Percent of Unit
Salem, VA 24153		
(b) Kenneth Roy Osborne 1721 19th Street N.E. Roanoke, VA 24012	0.2537 acres 1/30 of 7.61 acres	0.31708%
(c) Martha Guilliams 1911 McViey Road Salem, VA 24153	0.2537 acres 1/30 of 7.61 acres	0.31708%
(d) Ivory J. Horn P. O. Box 748 Raven, VA 24639	0.2537 acres 1/30 of 7.61 acres	0.31708%
(e) Perry W. Horn 700 Meadowbrooke Dr. Apt. 8 King, NC 27021	0.2537 acres 1/30 of 7.61 acres	0.31708%
(f) Larry M. Horn P. O. Box 131 Rarden, OH 45671	0.2537 acres 1/30 of 7.61 acres	0.31708%
(g) Dorothy Horn Rt. 3, Box 21 Cedar Bluff, VA 24609	0.7610 acres 1/10 of 7.61 acres	0.95125%
(h) Marilyn Taylor P. O. Box 285 Pounding Mill, VA 24637	0.7610 acres 1/10 of 7.61 acres	0.95125%
(i) Thelma H. Osborne P. O. Box 33 Raven, VA 24639	0.7610 acres 1/10 of 7.61 acres	0.95125%
(j) Martha H. Smith P. O. Box 395 Max Meadows, VA 24360	0.7610 acres 1/10 of 7.61 acres	0.95125%
(k) Sarah H. Day P. O. Box 208 Peterstown, WV 24963	0.7610 acres 1/10 of 7.61 acres	0.95125%
(l) Joseph H. Horn P. O. Box 775 Raven, VA 24639	0.7610 acres 1/10 of 7.61 acres	0.95125%
(m) Nancy H. Stilwell Rt. 4, Box 722 North Tazewell, VA 24630	0.7610 acres 1/10 of 7.61 acres	0.95125%
(n) Clifford Osborne P. O. Box 643 Keen Mountain, VA 24624	0.0692 acres 1/110 of 7.61 acres	0.08648%
(o) James R. Osborne P. O. Box 484 Keen Mountain, VA 24624	0.0692 acres 1/110 of 7.61 acres	0.08648%
(p) Shirley Keene P. O. Box 581 Keen Mountain, VA 24624	0.0692 acres 1/110 of 7.61 acres	0.08648%
(q) Mary Keen	0.0692 acres	0.08648%

	Acres in Unit	Percent of Unit
Rt. 1, Box 157 Raven, VA 24639	1/110 of 7.61 acres	
(r) John Osborne Rt. 1, Box 159 Raven, VA 24639	0.0692 acres 1/110 of 7.61 acres	0.08648%
(s) Ronnie Osborne General Delivery Raven, VA 24639	0.0692 acres 1/110 of 7.61 acres	0.08648%
(t) Brenda Justice P. O. Box 627 Keen Mountain, VA 24624	0.0692 acres 1/110 of 7.61 acres	0.08648%
(u) Richard Osborne P. O. Box 541 Keen Mountain, VA 24624	0.0692 acres 1/110 of 7.61 acres	0.08648%
(v) Charles M. Osborne P. O. Box 585 Keen Mountain, VA 24624	0.0692 acres 1/110 of 7.61 acres	0.08648%
(w) Ruth Keen Address Unknown	0.0692 acres 1/110 of 7.61 acres	0.08648%
(x) Patsy Moore General Delivery Raven, VA 24639	0.0692 acres 1/110 of 7.61 acres	0.08648%

OIL & GAS CLAIMANT. (Surface Owner)

(1) Danny McClanahan P. O. Box 547 Oakwood, VA 24631	7.61 acres	9.51250%
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Tract #3C-1, 0.56 acres

OIL & GAS CLAIMANTS

(1) Thomas Stilwell, heirs	0.56 acres	0.70000%
(a) David W. Stilwell 2107 7th Avenue Apt. 15 Belle Fourche, SD	0.0078 acres 1/72 of 0.56 acres	0.00972%
(b) Quentin A. Stilwell P. O. Box 1013 Rhame, ND 56525	0.0078 acres 1/72 of 0.56 acres	0.00972%
(2) Linkous Horn Heirs, et al.	0.56 acres	0.70000%
(a) Sydney Smith 1911 McViey Road Salem, VA 24153	0.0187 acres 1/30 of 0.56 acres	0.02333%
(b) Kenneth Roy Osborne 1721 19th Street N.E. Roanoke, VA 24012	0.0187 acres 1/30 of 0.56 acres	0.02333%

	Acres in Unit	Percent of Unit
(c) Martha Guilliams 1911 McViey Road Salem, VA 24153	0.0187 acres 1/30 of 0.56 acres	0.02333%
(d) Ivory J. Horn P. O. Box 748 Raven, VA 24639	0.0187 acres 1/30 of 0.56 acres	0.02333%
(e) Perry W. Horn 700 Meadowbrooke Dr. Apt. 8 King, NC 27021	0.0187 acres 1/30 of 0.56 acres	0.02333%
(f) Larry M. Horn P. O. Box 131 Rarden, OH 45671	0.0187 acres 1/30 of 0.56 acres	0.02333%
(g) Dorothy Horn Rt. 3, Box 21 Cedar Bluff, VA 24609	0.0560 acres 1/10 of 0.56 acres	0.07000%
(h) Marilyn Taylor P. O. Box 285 Pounding Mill, VA 24637	0.0560 acres 1/10 of 0.56 acres	0.07000%
(i) Thelma H. Osborne P. O. Box 33 Raven, VA 24639	0.0560 acres 1/10 of 0.56 acres	0.07000%
(j) Martha H. Smith P. O. Box 395 Max Meadows, VA 24360	0.0560 acres 1/10 of 0.56 acres	0.07000%
(k) Sarah H. Day P. O. Box 208 Peterstown, WV 24963	0.0560 acres 1/10 of 0.56 acres	0.07000%
(l) Joseph H. Horn P. O. Box 775 Raven, VA 24639	0.0560 acres 1/10 of 0.56 acres	0.07000%
(m) Nancy H. Stilwell Rt. 4, Box 722 North Tazewell, VA 24630	0.0560 acres 1/10 of 0.56 acres	0.07000%
(n) Clifford Osborne P. O. Box 643 Keen Mountain, VA 24624	0.0051 acres 1/110 of 0.56 acres	0.00636%
(o) James R. Osborne P. O. Box 484 Keen Mountain, VA 24624	0.0051 acres 1/110 of 0.56 acres	0.00636%
(p) Shirley Keene P. O. Box 581 Keen Mountain, VA 24624	0.0051 acres 1/110 of 0.56 acres	0.00636%
(q) Mary Keen Rt. 1, Box 157 Raven, VA 24639	0.0051 acres 1/110 of 0.56 acres	0.00636%
(r) John Osborne	0.0051 acres	0.00636%

	Acres in Unit	Percent of Unit
Rt. 1, Box 159 Raven, VA 24639	1/110 of 0.56 acres	
(s) Ronnie Osborne General Delivery Raven, VA 24639	0.0051 acres 1/110 of 0.56 acres	0.00636%
(t) Brenda Justice P. O. Box 627 Keen Mountain, VA 24624	0.0051 acres 1/110 of 0.56 acres	0.00636%
(u) Richard Osborne P. O. Box 541 Keen Mountain, VA 24624	0.0051 acres 1/110 of 0.56 acres	0.00636%
(v) Charles M. Osborne P. O. Box 585 Keen Mountain, VA 24624	0.0051 acres 1/110 of 0.56 acres	0.00636%
(w) Ruth Keen Address Unknown	0.0051 acres 1/110 of 0.56 acres	0.00636%
(x) Patsy Moore General Delivery Raven, VA 24639	0.0051 acres 1/110 of 0.56 acres	0.00636%

OIL & GAS CLAIMANT (Surface Owner)

(3) Danny McClanahan P. O. Box 547 Oakwood, VA 24631	0.56 acres	0.70000%
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Tract #4, 7.57 acres

(1) Thomas Stilwell, heirs	7.57 acres	9.46250%
(a) David W. Stilwell 2107 7th Avenue Apt. 15 Belle Fourche, SD	0.1051 acres 1/72 of 7.57 acres	0.13142%
(b) Quentin A. Stilwell P. O. Box 1013 Rhame, ND 56525	0.1051 acres 1/72 of 7.57 acres	0.13142%

Docket # VGOB-98-0324-0626-02
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
<u>Tract #3, 27.44 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701	27.44 acres	34.30000%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Linkous Horn Heirs, et al.	27.44 acres	34.30000%
(a) Sydney Smith 1911 McViey Road Salem, VA 24153	0.9147 acres 1/30 of 27.44 acres	1.14333%
(b) Kenneth Roy Osborne 1721 19th Street N.E. Roanoke, VA 24012	0.9147 acres 1/30 of 27.44 acres	1.14333%
(c) Martha Guiliams 1911 McViey Road Salem, VA 24153	0.9147 acres 1/30 of 27.44 acres	1.14333%
(d) Ivory J. Horn P. O. Box 748 Raven, VA 24639	0.9147 acres 1/30 of 27.44 acres	1.14333%
(e) Perry W. Horn 700 Meadowbrooke Dr. Apt. 8 King, NC 27021	0.9147 acres 1/30 of 27.44 acres	1.14333%
(f) Larry M. Horn P. O. Box 131 Rarden, OH 45671	0.9147 acres 1/30 of 27.44 acres	1.14333%
(g) Dorothy Horn Rt. 3, Box 21 Cedar Bluff, VA 24609	2.7440 acres 1/10 of 27.44 acres	3.43000%
(h) Marilyn Taylor P. O. Box 285 Pounding Mill, VA 24637	2.7440 acres 1/10 of 27.44 acres	3.43000%
(i) Thelma H. Osborne P. O. Box 33 Raven, VA 24639	2.7440 acres 1/10 of 27.44 acres	3.43000%
(j) Martha H. Smith P. O. Box 395 Max Meadows, VA 24360	2.7440 acres 1/10 of 27.44 acres	3.43000%
(k) Sarah H. Day P. O. Box 208 Peterstown, WV 24963	2.7440 acres 1/10 of 27.44 acres	3.43000%

List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
(l) Joseph H. Horn P. O. Box 775 Raven, VA 24639	2.7440 acres 1/10 of 27.44 acres	3.43000%
(m) Nancy H. Stilwell Rt. 4, Box 722 North Tazewell, VA 24630	2.7440 acres 1/10 of 27.44 acres	3.43000%
(n) Clifford Osborne P. O. Box 643 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.31182%
(o) James R. Osborne P. O. Box 484 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.31182%
(p) Shirley Keene P. O. Box 581 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.31182%
(q) Mary Keen Rt. 1, Box 157 Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.31182%
(r) John Osborne Rt. 1, Box 159 Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.31182%
(s) Ronnie Osborne General Delivery Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.31182%
(t) Brenda Justice P. O. Box 627 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.31182%
(u) Richard Osborne P. O. Box 541 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.31182%
(v) Charles M. Osborne P. O. Box 585 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.31182%
(w) Ruth Keen Address Unknown	0.2495 acres 1/110 of 27.44 acres	0.31182%
(x) Patsy Moore General Delivery Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.31182%

Tract #3C, 7.61 acres

COAL FEE OWNERSHIP

Docket # VGOB-98-0324-0626-02
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
(1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701	7.61 acres	9.51250%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Linkous Horn Heirs, et al.	7.61 acres	9.51250%
(a) Sydney Smith 1911 McVie Road Salem, VA 24153	0.2537 acres 1/30 of 7.61 acres	0.31708%
(b) Kenneth Roy Osborne 1721 19th Street N.E. Roanoke, VA 24012	0.2537 acres 1/30 of 7.61 acres	0.31708%
(c) Martha Guiliams 1911 McVie Road Salem, VA 24153	0.2537 acres 1/30 of 7.61 acres	0.31708%
(d) Ivory J. Horn P. O. Box 748 Raven, VA 24639	0.2537 acres 1/30 of 7.61 acres	0.31708%
(e) Perry W. Horn 700 Meadowbrooke Dr. Apt. 8 King, NC 27021	0.2537 acres 1/30 of 7.61 acres	0.31708%
(f) Larry M. Horn P. O. Box 131 Rarden, OH 45671	0.2537 acres 1/30 of 7.61 acres	0.31708%
(g) Dorothy Horn Rt. 3, Box 21 Cedar Bluff, VA 24609	0.7610 acres 1/10 of 7.61 acres	0.95125%
(h) Marilyn Taylor P. O. Box 285 Pounding Mill, VA 24637	0.7610 acres 1/10 of 7.61 acres	0.95125%
(i) Thelma H. Osborne P. O. Box 33 Raven, VA 24639	0.7610 acres 1/10 of 7.61 acres	0.95125%
(j) Martha H. Smith P. O. Box 395 Max Meadows, VA 24360	0.7610 acres 1/10 of 7.61 acres	0.95125%
(k) Sarah H. Day P. O. Box 208 Peterstown, WV 24963	0.7610 acres 1/10 of 7.61 acres	0.95125%
(l) Joseph H. Horn P. O. Box 775 Raven, VA 24639	0.7610 acres 1/10 of 7.61 acres	0.95125%

Docket # VGOB-98-0324-0626-02
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
(m) Nancy H. Stilwell Rt. 4, Box 722 North Tazewell, VA 24630	0.7610 acres 1/10 of 7.61 acres	0.95125%
(n) Clifford Osborne P. O. Box 643 Keen Mountain, VA 24624	0.0692 acres 1/110 of 7.61 acres	0.08648%
(o) James R. Osborne P. O. Box 484 Keen Mountain, VA 24624	0.0692 acres 1/110 of 7.61 acres	0.08648%
(p) Shirley Keene P. O. Box 581 Keen Mountain, VA 24624	0.0692 acres 1/110 of 7.61 acres	0.08648%
(q) Mary Keen Rt. 1, Box 157 Raven, VA 24639	0.0692 acres 1/110 of 7.61 acres	0.08648%
(r) John Osborne Rt. 1, Box 159 Raven, VA 24639	0.0692 acres 1/110 of 7.61 acres	0.08648%
(s) Ronnie Osborne General Delivery Raven, VA 24639	0.0692 acres 1/110 of 7.61 acres	0.08648%
(t) Brenda Justice P. O. Box 627 Keen Mountain, VA 24624	0.0692 acres 1/110 of 7.61 acres	0.08648%
(u) Richard Osborne P. O. Box 541 Keen Mountain, VA 24624	0.0692 acres 1/110 of 7.61 acres	0.08648%
(v) Charles M. Osborne P. O. Box 585 Keen Mountain, VA 24624	0.0692 acres 1/110 of 7.61 acres	0.08648%
(w) Ruth Keen Address Unknown	0.0692 acres 1/110 of 7.61 acres	0.08648%
(x) Patsy Moore General Delivery Raven, VA 24639	0.0692 acres 1/110 of 7.61 acres	0.08648%

OIL & GAS CLAIMANT, (Surface Owner)

(1) Danny McClanahan P. O. Box 547 Oakwood, VA 24631	7.61 acres	9.51250%
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Tract #3C-1, 0.56 acres

OIL & GAS CLAIMANTS

Exhibit E
UNIT S-36

BOOK 501 PAGE 223

Docket # VGOB-98-0324-0626-02

List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
(1) Thomas Stilwell, heirs	0.56 acres	0.70000%
(a) Beulah V. Osborne HC 62, Box 109 Raven, VA 24639	0.0700 acres 1/8 of 0.56 acres	0.08750%
(b) Martha J. Stilwell HC 62, Box 95 Raven, VA 24639	0.0700 acres 1/8 of 0.56 acres	0.08750%
(c) Virginia N. Stilwell HC 62, Box 97 Raven, VA 24639	0.0700 acres 1/8 of 0.56 acres	0.08750%
(d) Arthur M. Stilwell HC 62, Box 93 Raven, VA 24639	0.0700 acres 1/8 of 0.56 acres	0.08750%
(e) Exie Osborne General Delivery Shortt Gap, VA 24647	0.0700 acres 1/8 of 0.56 acres	0.08750%
(f) Hubbard Osborne HC 62, Box 89 Raven, VA 24639	0.0078 acres 1/72 of 0.56 acres	0.00972%
(g) Linda S. Shelton P. O. Box 8 Shortt Gap, VA 24647	0.0078 acres 1/72 of 0.56 acres	0.00972%
(h) Jerline Davis 10 Davis Street North Tazewell, VA 24630	0.0078 acres 1/72 of 0.56 acres	0.00972%
(i) Arlin W. Osborne P. O. Box 446 Raven, VA 24639	0.0078 acres 1/72 of 0.56 acres	0.00972%
(j) Jackie D. Osborne Rt. 1, Box 209 Raven, VA 24639	0.0078 acres 1/72 of 0.56 acres	0.00972%
(k) Daniel J. Osborne HC 62, Box 80 Raven, VA 24639	0.0078 acres 1/72 of 0.56 acres	0.00972%
(l) Sylvia A. Shelton St. Rt. Box 81A Raven, VA 24639	0.0078 acres 1/72 of 0.56 acres	0.00972%
(m) Marvin J. Osborne P. O. Box 1607 Cedar Bluff, VA 24609	0.0078 acres 1/72 of 0.56 acres	0.00972%
(n) Lois Casey P. O. Box 162 Raven, VA 24639	0.0078 acres 1/72 of 0.56 acres	0.00972%

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List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
(o) Cora Arnold P. O. Box 626 Raven, VA 24639	0.0233 acres 1/24 of 0.56 acres	0.02917%
(o) Leonard C. Stilwell P. O. Box 932 Raven, VA 24639	0.0078 acres 1/72 of 0.56 acres	0.00972%
(p) Jay C. Stilwell P. O. Box 1035 Raven, VA 24639	0.0078 acres 1/72 of 0.56 acres	0.00972%
(q) Wanda Hagy P. O. Box 1738 Richlands, VA 24641	0.0078 acres 1/72 of 0.56 acres	0.00972%
(r) Bessie Lowe P. O. Box 47 Shortt Gap, VA 24647	0.0078 acres 1/72 of 0.56 acres	0.00972%
(s) Theodore Stilwell P. O. Box 626 Raven, VA 24639	0.0078 acres 1/72 of 0.56 acres	0.00972%
(t) Curtis Stilwell General Delivery Doran, VA 24612	0.0078 acres 1/72 of 0.56 acres	0.00972%
(u) Bernadine R. Lisburg 1418 First Avenue South Fargo, ND 58103	0.0233 acres 1/24 of 0.56 acres	0.02917%
(v) Gladys E. Pollert 702 21st South, Apt. 2 Fargo, ND 58103	0.0078 acres 1/72 of 0.56 acres	0.00972%
(w) David W. Stilwell 2107 7th Avenue Apt. 15 Belle Fourche, SD	0.0078 acres 1/72 of 0.56 acres	0.00972%
(x) Thomas H. Stilwell Rt. 1 Bowler, WS 54416	0.0078 acres 1/72 of 0.56 acres	0.00972%
(y) Quentin A. Stilwell P. O. Box 1013 Rhame, ND 56525	0.0078 acres 1/72 of 0.56 acres	0.00972%
(z) Daniel J. Stilwell 600 South 9th Street #64 Bismark, ND 58504	0.0078 acres 1/72 of 0.56 acres	0.00972%
(aa) Bernice R. Lamb 3100 Vermillion Hastings, MN 55033	0.0078 acres 1/72 of 0.56 acres	0.00972%

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	Acres in Unit	Percent of Unit
(2) Linkous Horn Heirs, et al.	0.56 acres	0.70000%
(a) Sydney Smith 1911 McVie Road Salem, VA 24153	0.0187 acres 1/30 of 0.56 acres	0.02333%
(b) Kenneth Roy Osborne 1721 19th Street N.E. Roanoke, VA 24012	0.0187 acres 1/30 of 0.56 acres	0.02333%
(c) Martha Williams 1911 McVie Road Salem, VA 24153	0.0000 acres 1/30 of 0.56 acres	0.00000%
(d) Ivory J. Horn P. O. Box 748 Raven, VA 24639	0.0000 acres 1/30 of 0.56 acres	0.00000%
(e) Perry W. Horn 700 Meadowbrooke Dr. Apt. 8 King, NC 27021	0.0187 acres 1/30 of 0.56 acres	0.02333%
(f) Larry M. Horn P. O. Box 131 Rarden, OH 45671	0.0187 acres 1/30 of 0.56 acres	0.02333%
(g) Dorothy Horn Rt. 3, Box 21 Cedar Bluff, VA 24609	0.0560 acres 1/10 of 0.56 acres	0.07000%
(h) Marilyn Taylor P. O. Box 285 Pounding Mill, VA 24637	0.0560 acres 1/10 of 0.56 acres	0.07000%
(i) Thelma H. Osborne P. O. Box 33 Raven, VA 24639	0.0560 acres 1/10 of 0.56 acres	0.07000%
(j) Martha H. Smith P. O. Box 395 Max Meadows, VA 24360	0.0560 acres 1/10 of 0.56 acres	0.07000%
(k) Sarah H. Day P. O. Box 208 Peterstown, WV 24963	0.0560 acres 1/10 of 0.56 acres	0.07000%
(l) Joseph H. Horn P. O. Box 775 Raven, VA 24639	0.0560 acres 1/10 of 0.56 acres	0.07000%
(m) Nancy H. Stilwell Rt. 4, Box 722 North Tazewell, VA 24630	0.0560 acres 1/10 of 0.56 acres	0.07000%
(n) Clifford Osborne P. O. Box 643 Keen Mountain, VA 24624	0.0051 acres 1/110 of 0.56 acres	0.00636%

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List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
(o) James R. Osborne P. O. Box 484 Keen Mountain, VA 24624	0.0051 acres 1/110 of 0.56 acres	0.00636%
(p) Shirley Keene P. O. Box 581 Keen Mountain, VA 24624	0.0051 acres 1/110 of 0.56 acres	0.00636%
(q) Mary Keen Rt. 1, Box 157 Raven, VA 24639	0.0051 acres 1/110 of 0.56 acres	0.00636%
(r) John Osborne Rt. 1, Box 159 Raven, VA 24639	0.0051 acres 1/110 of 0.56 acres	0.00636%
(s) Ronnie Osborne General Delivery Raven, VA 24639	0.0051 acres 1/110 of 0.56 acres	0.00636%
(t) Brenda Justice P. O. Box 627 Keen Mountain, VA 24624	0.0000 acres 1/110 of 0.56 acres	0.00000%
(u) Richard Osborne P. O. Box 541 Keen Mountain, VA 24624	0.0000 acres 1/110 of 0.56 acres	0.00000%
(v) Charles M. Osborne P. O. Box 585 Keen Mountain, VA 24624	0.0051 acres 1/110 of 0.56 acres	0.00636%
(w) Ruth Keen Address Unknown	0.0051 acres 1/110 of 0.56 acres	0.00636%
(x) Patsy Moore General Delivery Raven, VA 24639	0.0051 acres 1/110 of 0.56 acres	0.00636%

OIL & GAS CLAIMANT (Surface Owner)

(1) Danny McClanahan P. O. Box 547 Oakwood, VA 24631	0.56 acres	0.70000%
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Tract #4, 7.57 acres

COAL FEE OWNERSHIP

(1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701	7.57 acres	9.46250%
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List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Thomas Stilwell, heirs	7.57 acres	9.46250%
(a) Beulah V. Osborne HC 62, Box 109 Raven, VA 24639	0.9463 acres 1/8 of 7.57 acres	1.18281%
(b) Martha J. Stilwell HC 62, Box 95 Raven, VA 24639	0.9463 acres 1/8 of 7.57 acres	1.18281%
(c) Virginia N. Stilwell HC 62, Box 97 Raven, VA 24639	0.9463 acres 1/8 of 7.57 acres	1.18281%
(d) Arthur M. Stilwell HC 62, Box 93 Raven, VA 24639	0.9463 acres 1/8 of 7.57 acres	1.18281%
(e) Exie Osborne General Delivery Shortt Gap, VA 24647	0.9463 acres 1/8 of 7.57 acres	1.18281%
(f) Hubbard Osborne HC 62, Box 89 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.13142%
(g) Linda S. Shelton P. O. Box 8 Shortt Gap, VA 24647	0.1051 acres 1/72 of 7.57 acres	0.13142%
(h) Jerline Davis 10 Davis Street North Tazewell, VA 24630	0.1051 acres 1/72 of 7.57 acres	0.13142%
(i) Arlin W. Osborne P. O. Box 446 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.13142%
(j) Jackie D. Osborne Rt. 1, Box 209 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.13142%
(k) Daniel J. Osborne HC 62, Box 80 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.13142%
(l) Sylvia A. Shelton St. Rt. Box 81A Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.13142%
(m) Marvin J. Osborne P. O. Box 1607 Cedar Bluff, VA 24609	0.1051 acres 1/72 of 7.57 acres	0.13142%

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Docket # VGOB-98-0324-0626-02

List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
(n) Lois Casey P. O. Box 162 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.13142%
(o) Cora Arnold P. O. Box 626 Raven, VA 24639	0.3154 acres 1/24 of 7.57 acres	0.39427%
(o) Leonard C. Stilwell P. O. Box 932 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.13142%
(p) Jay C. Stilwell P. O. Box 1035 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.13142%
(q) Wanda Hagy P. O. Box 1738 Richlands, VA 24641	0.1051 acres 1/72 of 7.57 acres	0.13142%
(r) Bessie Lowe P. O. Box 47 Shortt Gap, VA 24647	0.1051 acres 1/72 of 7.57 acres	0.13142%
(s) Theodore Stilwell P. O. Box 626 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.13142%
(t) Curtis Stilwell General Delivery Doran, VA 24612	0.1051 acres 1/72 of 7.57 acres	0.13142%
(u) Bernadine R. Lisburg 1418 First Avenue South Fargo, ND 58103	0.3154 acres 1/24 of 7.57 acres	0.39427%
(v) Gladys E. Pollert 702 21st South, Apt. 2 Fargo, ND 58103	0.1051 acres 1/72 of 7.57 acres	0.13142%
(w) David W. Stilwell 2107 7th Avenue Apt. 15 Belle Fourche, SD	0.1051 acres 1/72 of 7.57 acres	0.13142%
(x) Thomas H. Stilwell Rt. 1 Bowler, WS 54416	0.1051 acres 1/72 of 7.57 acres	0.13142%
(y) Quentin A. Stilwell P. O. Box 1013 Rhame, ND 56525	0.1051 acres 1/72 of 7.57 acres	0.13142%
(z) Daniel J. Stilwell 600 South 9th Street #64 Bismark, ND 58504	0.1051 acres 1/72 of 7.57 acres	0.13142%

Docket # VGOB-98-0324-0626-02

List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
(aa) Bernice R. Lamb 3100 Vermillion Hastings, MN 55033	0.1051 acres 1/72 of 7.57 acres	0.13142%

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 31st day of January 2000 at 1:36 P. M.
Deed Book No. 501 and Page No. 229 TESTE: James M. Bevins, Jr., Clerk
Returned this date to; Patricia A. Lane Deputy Clerk
Mailed Liam Lane

INSTRUMENT #000000242
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JANUARY 31, 2000 AT 01:36PM
JAMES M. BEVINS JR., CLERK

BY: _____

